

EXECUTIVE SECRETARIAT
ROUTING SLIP

*Memo
Chloro*

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		✓		
2	DDCI		✓		
3	EXDIR				
4	D/ICS				
5	DDI	✓			
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC		✓		
11	IG				
12	Compt				
13	D/Pers				
14	D/OLL				
15	D/PAO				
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19	<i>D/OGI</i>		✓		
20					
21					
22					
SUSPENSE		Date _____			

Remarks

[Signature]
Executive Secretary
5/15/84
Date

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15 May 1984

MEMORANDUM FOR: Deputy Director for Intelligence
General Counsel
Director of Global Issues

FROM: Director of Central Intelligence

SUBJECT: Soviet Forced Labor

1. On the basis of this correspondence Regan has decided not to put out the proposed order on goods made with Soviet forced labor. He will defer it on the basis of the first paragraph of my letter. He wants me to declassify that which I think I can. Then Peter Wallison, General Counsel for Treasury, will get in touch with you and agree on the manner in which it can be used.

2. Stay in touch with Stan. If there is any problem with declassification or otherwise I will count on the three of you to get in touch with each other and let me know what the next step is.



William J. Casey

Attachments:
Letter dtd 14 May 1984 to Secretary Regan
w/attachments

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The Director of Central Intelligence

Washington D.C. 20505

14 May 1984

The Honorable Donald T. Regan
Secretary of the Treasury
Washington, D. C. 20220

Dear Don,

After our telephone conversation on Friday, I asked to see the evidence on the production and export of goods manufactured by convict, forced or indentured labor in the Soviet Union. As I suspected, the evidence is fragmentary and not very specific.

Also, on reflection I don't see that it does more than defer potential embarrassment from inadequate evidence for Treasury and Customs to prohibit importation and then to leave it up to the importers to certify that the item was not produced through the use of forced labor. I am also impressed by the State Department argument that to take this step now would be seen as a skimpy reaction to the Soviet Olympic decision.

I send along for your information two memoranda outlining the potential impact of this step on the CIA and the rest of the government. According to the State Department memorandum, the issuance of a preliminary finding would be based on a memorandum of 7 November 1983, sent by [redacted] National Intelligence Officer for Economics at CIA, to the Commissioner of Customs. That memorandum states that the evidence is too sketchy to permit calculation of what proportion of total Soviet production of the items listed is provided by forced laborers. It goes on to say that only 3 percent of the total Soviet labor is forced, so that it appears that only in rare instances does production by forced labor comprise a large share of total output of any given product. Also, 93 percent of the entries in the list refer to production before 1981, 5 percent do not give a date, and only 2 percent refer to production after 1980.

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I don't want CIA to come under pressure to prove something with sketchy evidence or disclose our information sources, and I urge that all the implications of this step be carefully considered before moving on it.

Yours,



William J. Casey

Enclosures

P.S. I tried to get you on the phone today on this but couldn't reach you, so I asked Tim McNamar to add these further concerns since we talked on Friday.

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